

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 974-1629

TO: All County, City, and Town Fiscal Bodies and County Assessors and County Auditors

FROM: Courtney L. Schaafsma, Commissioner

RE: Business Personal Property Superabatement, Senate Enrolled Act 1-2014

DATE: June 3, 2015

On March 25, 2014, Governor Pence signed into law Senate Enrolled Act 1-2014 ("SEA 1"). Please note that SEA 1 was passed during the 2014 General Assembly session. However, due to the effective date of July 1, 2015, the Department of Local Government Finance is issuing this memorandum now. This memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Effective July 1, 2015, SEA 1 provides for an abatement deduction for up to 20 years on select business personal property ("superabatement").

The superabatment is governed by IC 6-1.1-12.1-18. Pursuant to this statute, the designating body (as defined below) may establish a superabatement schedule for a "new equipment" deduction it grants under IC 6-1.1-12.1-4.5. A superabatement schedule must specify the deduction amount, in percentages, for each year of the deduction, and may not exceed 20 years.

If a taxpayer is granted a superabatement, the designating body must conduct a public hearing after the tenth year of the abatement to review the taxpayer's compliance with the statement of benefits provided to the designating body.

Please note: Form CF-1/PP is required each year that the taxpayer wants the deduction (see IC 6-1.1-12.1-5.6).

For purposes of IC 6-1.1-12.1-18, "designating body" means:

- 1) For a county other than Marion County, the fiscal body of the county, city, or town. In other words, the county council, common council, or town council, as applicable.
- 2) For Marion County, the Metropolitan Development Commission.

For purposes of IC 6-1.1-12.1-18, "business personal property" means personal property that:

- 1) is otherwise subject to assessment and taxation under IC 6-1.1; and
- 2) is used in a trade or business or otherwise held, used, or consumed in connection with the production of income.

The term includes the personal property of a telephone company or a communications service provider if that personal property meets the above requirements, regardless of whether that personal property is assessed under IC 6-1.1-8 and regardless of whether the telephone company or communications service provider is subject to regulation by the Indiana Utility Regulatory Commission (“IURC”). However, the term does not include the following:

- 1) Mobile homes assessed as personal property under IC 6-1.1-7.
- 2) Personal property held as an investment.
- 3) Personal property assessed as state distributable property under IC 6-1.1-8 and owned by a public utility subject to regulation by the IURC.

For purposes of IC 6-1.1-12.1-18, “new personal property” means business personal property that:

- 1) a taxpayer places in service after the date the taxpayer’s statement of benefits is approved by the designating body; and
- 2) has not previously been used in Indiana before the taxpayer acquires the business personal property.

Contact Information

Questions may be directed to Staff Attorney David Marusarz at (317) 233-6770 or dmarusarz@dlgf.in.gov.